BRITISH COLUMBIA
The Best Place on Earth

BC Stats

Infoline

Contact: bcstats.infoline@gov.bc.ca Issue: 07-36 September 7, 2007

- **Unemployment falls to 4.0% in August**
- **Value of building permits down 24.3% in July**
- **Room revenues slipped 0.4% in May**

Labour Force

- **British Columbia's unemployment rate fell to 4.0% in August.** This improvement in the jobless rate came about because an increase in employment (+0.4%) outpaced the expansion in the number of people either working or looking for work in the province (+0.2%). Employment growth is once again on the rise following declines in both June and July of this year. BC's unemployment rate remained among the lowest in the nation and was only 0.5 percentage points higher than Alberta's (3.5%).

  British Columbia's goods sector took on 0.7% more workers in August. As the boom in the province's construction industry continues, employment in construction (+4.6%) has picked up after shrinking in both of the two previous months. The manufacturing industry (-2.1%) pared down the size of its workforce for the fourth time in five months, while the number of jobs in forestry, fishing & mining rose (+2.2%) for the first time since April.

  The services sector, which provides jobs for nearly eight out of every ten workers in BC, increased employment by 0.3% in August. Employment in the accommodation & food services industry surged (+7.9%), while the number of job opportunities in information, culture & recreation (+4.9%) also increased. While educational services (+1.2%), retail & wholesale trade (+0.8%) and management & administration (+0.2%) increased employment, fewer openings were available in professional, scientific & technical services (-4.4%), public administration (-3.3%) and health care & social assistance (-1.6%). *Data Source: Statistics Canada*

- **Regional unemployment rates ranged from 1.6% (*3-month-moving average, unadjusted*) in Northeast to 7.4% in North Coast/Nechako.** Despite being higher than the provincial average, unemployment in North Coast/Nechako has been on the decline since the start of the decade. Cariboo (5.7%) and Kootenay (5.8%) show similar improvements as the incidence of unemployment has trended downward in these regions. The jobless rates in both Vancouver Island/Coast (4.0%) and Thompson-Okanagan (4.7%) inched higher, while Mainland/Southwest (4.2%) remained unchanged.

  Unemployment rates in BC's two largest cities were slightly higher than the provincial average. Vancouver's unemployment rate was 4.2%, while the jobless rate in Victoria jumped 0.7 percentage points to 4.1%. *Data Source: Statistics Canada*

  Unemployment rates for Northeast and some urban centres are estimated by BC Stats using data supplied by Statistics Canada

- **Canada's unemployment rate remained unchanged at 6.0% for a second consecutive month as a 0.1% increase in the number of people employed was matched by an identical expansion in the labour force.** The lowest rates were recorded in Alberta (3.5%), British Columbia (4.0%) and Manitoba (4.2%), while Newfoundland & Labrador (13.7%) and Prince Edward Island (10.2%) were among the highest. *Data Source: Statistics Canada*

The Economy

- **The value of building permits issued in British Columbia slipped 24.3% (*seasonally adjusted*) in July, as planned spending on both residential (-11.3%) and non-residential (-45.6%) projects declined.**

  In Abbotsford, permits were up 57.1%, one of the most significant increases in the country. On the other hand, Vancouver (-26.2%), Victoria (-36.4%) and Kelowna (-55.8%) all posted substantial decreases.

Report First Quarter Review of BC's Tourism Sector

Did you know...
Over 889,000 students were enrolled as undergraduates at universities across Canada in 2004/2005. Nearly three out of five were women. *Data Source: Statistics Canada*

Nationally, permits dropped 11.3% with decreases in other provinces ranging from 2.9% in Quebec to 24.4% in Saskatchewan. Three provinces posted increases in July, the most notable of which was in Newfoundland (+16.2%).
Data Source: Statistics Canada

- **Year-to-date, building permits were 19.3% higher than in the first seven months of 2006, with most regions posting significant increases in the value of permits issued.** Permits jumped 46.8% in Northeast, partly due to a residential building boom (+92.7%) together with big increases in planned spending on commercial and industrial projects.

  In Mainland/Southwest (+23.0%) the increase in the value of permits reflected significantly higher spending on commercial and residential projects. Vancouver Island/Coast (+18.9%) also posted notable gains, concentrated in the institutional and residential sectors. More modest increases in the value of permits were recorded in Thompson/Okanagan (+9.1%), North Coast (+6.2%) and Kootenay (+6.0%).

  Northeast (-23.4%), where the value of permits issued for commercial projects plunged, was the only region where planned spending on new projects fell. *Data Source: Statistics Canada & BC Stats*

Tourism

- **Room revenues at BC accommodation properties inched down (-0.4% *seasonally adjusted*) in May.** Five regions recorded gains, with the biggest increase occurring in Nechako (+11.6%). Cariboo (+7.6%), Northeast (+4.9%), and Kootenay (+4.0%) posted robust growth but room revenues in Thompson/Okanagan (+0.4%) increased only slightly in May. Revenues in Mainland/Southwest slipped (-1.9%), as a four-month-long upturn came to an end.

  Overall, reversals by both hotels (-0.3%) and motels (-0.3%) outweighed a slight gain by other accommodation types (+0.1%).
Data Source: BC Stats

Research and Development

- **In 2005/06, the province's expenditures on research and development (R&D) in the higher education sector (HERD) increased $72.5 million to reach $904 million, an increase of 8.7% over 2004/05.** Most of the funding for R&D in 2005/06 came from universities (42%) and the federal government (33%). Private non-profit organizations (11%), the provincial government (9%), business enterprises (5%) and foreign sources also provided funding for the HERD in BC.

  Nationally, spending on research and development in the higher education sector increased 5.1% from 2004/05 to reach $9.5 billion in the 2005/06 fiscal year. Newfoundland and Labrador led all provinces with an increase of 28.4% in R&D expenditures in the higher education sector over the previous year, followed by New Brunswick (+13.7%) and Manitoba (+13.0%). The Alberta government funded 19% of research and development performed by the province's higher education institutions, the highest share of any province. The allocation of Canadian spending on R&D in this sector has remained fairly constant, with social sciences and humanities accounting for 20%, and health sciences (39%) and other natural sciences & engineering (41%) with larger shares. *Data Source: SC Cat. #88-001-XIE Vol.30, no.7*

Education

- **Between 1998/1999 and 2004/2005, enrolment in BC's publicly funded elementary and secondary schools has receded by 5.3%, well above the 1.9% decline in enrolment seen at the national level.** Only Alberta (+1.4%) and Ontario (+0.6%) reported an increase in the number of enrolments.

  On average, it cost $7,441 (current dollars) to educate a student in BC in 1998/1999 and had risen to $8,960 by 2004/2005. Nationally, the average cost of educating a student was $9,040 in 2004/2005 with the lowest cost found in Prince Edward Island ($7,583 per student) and the highest in Yukon ($15,837 per student).
Data Source: SC Cat. #81-595-MIE - No.50

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For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Infoline Report

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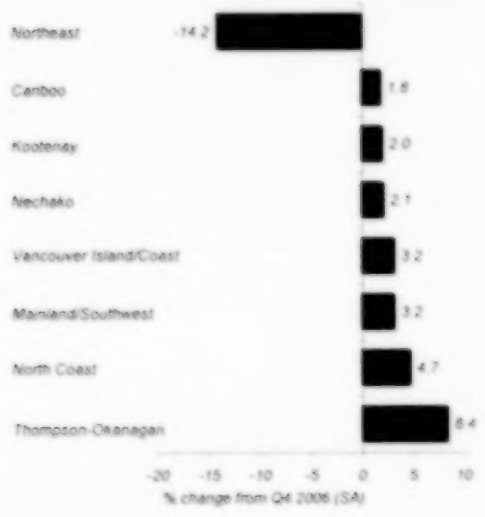
Originally published in
Tourism Sector Monitor Issue 07-07

First Quarter Review of BC's Tourism Sector

Room Revenues

Room revenues continued to climb (+3.2%) in the first quarter of 2007. Revenues increased in all regions except Northeast (-14.2%), where there was a significant decline in the demand for temporary accommodation for workers. Thompson-Okanagan (+8.4%) outperformed the rest of BC in revenue growth. North Coast (+4.7%) saw revenues trend up for the fifth straight quarter. Revenues in Mainland/Southwest (+3.2%) and Vancouver Island/Coast (+3.2%) advanced again, contributing a great deal to the overall revenue growth in the province. In addition, Nechako (+2.1%), Kootenay (+2.0%), and Cariboo (+1.8%) all posted steady, but somewhat slower in room receipts.

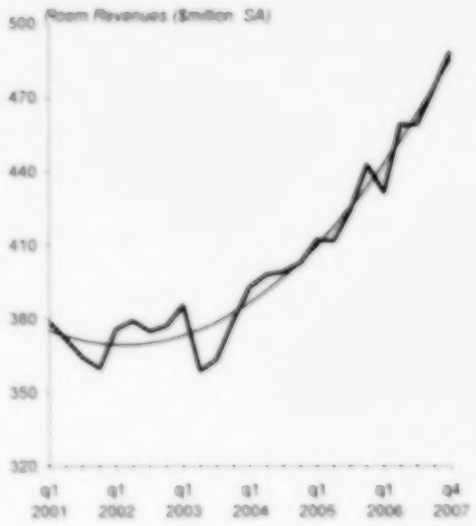
Revenues grew in all regions except Northeast



Source: BC Stats

Room revenues in the first quarter of 2007 reached a new high of over $480 million, continuing on the strong and rapid upward trend.

Room revenues continued an upward trend in the first quarter of 2007

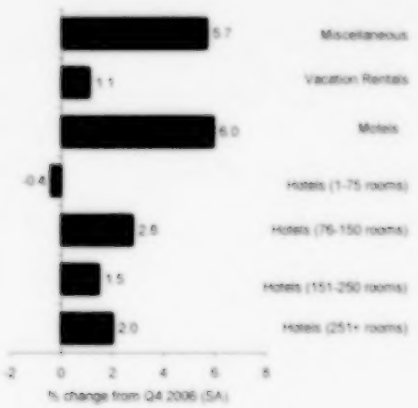


Source: BC Stats

Hotel receipts increased 1.8% in the first quarter. Mid-sized hotels (76-150 rooms; +2.8%) saw the strongest growth among all hotels. Very large hotels (250+ rooms; +2.0%) outperformed large hotels (151-250 rooms; +1.5%). However, revenues at small hotels with less than 75 rooms were off 0.4%.

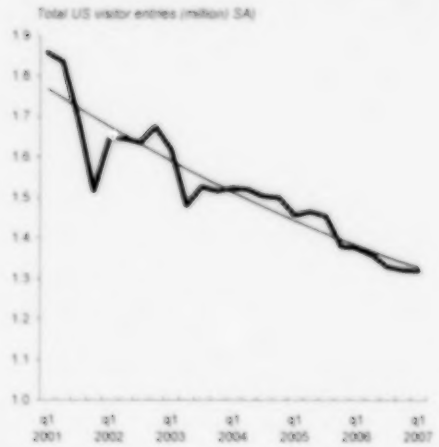
Business remained robust at motels, posting another prominent increase of 6.0% after rapid growth at the end of 2006, and surpassing any other type of accommodations in BC. Other types of accommodations, including bed & breakfasts, fishing lodges and other kinds of short-term accommodations, posted an overall 5.7% increase. In addition, vacation rentals also experienced a 1.1% revenue gain.

Most types of accommodation establishments experienced growth in room revenues



Source: BC Stats

US entries continued a downward trend



Source: BC Stats

Visitor entries inched up

Visitor entries to Canada through BC border crossings edged up (+0.3%, seasonally adjusted), increasing for the first time since early 2004. Accounting for about 80% of the total visitor entries, US entries inched down (-0.1%). There was a 0.8% drop in the number of overnight visits, which offset a modest increase in same-day visits by Americans (+1.2%).

More overseas guests (+1.7%) arrived in BC with robust increases in entries from Europe (+4.5%) and Oceania (+3.2%). However, Asian entries, the major source of overseas visits, dipped (-1.7%) in the first quarter. Among the overseas markets, Germany (+15.4%), the UK (+11.6%) and Australia (+4.6%) recorded the biggest increases.

The number of Canadians re-entering the country via BC continued to slump (-1.8%) in the first quarter. Canadians made fewer trips to the US (-2.1%), but slightly more visits to overseas countries (+0.1%).

Other Indicators

Hotel occupancy rates averaged 56.1% (seasonally adjusted) in the first quarter, declining 14.5 percentage points. The average room rates in BC, at $120.60, also decreased (-2.5%) from the last quarter of 2006.

Both the Vancouver (+0.5%) and Victoria (+3.3) airports were busier, experiencing higher passenger volumes. Traffic along the Coquihalla Highway was up 6.9%, while BC Ferries welcomed more vehicles (+2.0%) and passengers (+2.0%) aboard.

Employment in the major tourism-related industries was virtually unchanged. The number of people working in the accommodation industry showed the biggest drop (-1.3%). Employment in air transportation also slumped (-0.2%). However, industries such as arts, entertainment & recreation (+1.1%) and food & beverage (+0.1%) recorded increases in their employment levels.

BC's restaurant, caterer, and tavern receipts rose 2.3%, as an increase in revenues at food service establishments (+2.6%) offset a decline in sales at drinking places (-2.2%).

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fax transmission information service from BC Stats

Email transmission information service from BC Stats

also on the Internet at www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)	Apr 1/07	% change on one year ago
BC	4,352.8	1.3
Canada	32,852.8	1.0
GDP and INCOME (Released Apr 25)	2006	% change on one year ago
(BC - at market prices)		
Gross Domestic Product (GDP) *($ millions)*	179,701	6.4
GDP *($ 1997 millions)*	150,741	3.6
GDP *($ 1997 per Capita)*	34,971	2.3
Personal Disposable Income *($ 1997 per Capita)*	21,984	4.8
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Jun	3,496	-0.3
Merchandise Exports - Jun	2,653	-3.8
Retail Sales - Jun	4,729	0.0
CONSUMER PRICE INDEX	% change on one year ago	12-month avg % change
(all items - Jul 2007)		
BC	1.6	1.7
Vancouver	2.0	2.2
Victoria	0.8	1.3
Canada	2.2	1.8
LABOUR FORCE (thousands)	Aug '07	% change on prev. month
(seasonally adjusted)		
Labour Force - BC	2,360	0.2
Employed - BC	2,266	0.4
Unemployed - BC	94	-3.9
		Jul '07
Unemployment Rate - BC *(percent)*	4.0	4.1
Unemployment Rate - Canada *(percent)*	6.0	6.0
INTEREST RATES (percent)	Sep 5/07	Sep 6/06
Prime Business Rate	6.25	6.00
Conventional Mortgages - 1 year	7.05	6.40
- 5 year	7.24	6.85
US/CANADA EXCHANGE RATE	Sep 5/07	Sep 6/06
(avg. noon spot rate) Cdn $	1.0508	1.1053
US $ *(reciprocal of the closing rate)*	0.9492	0.9042
AVERAGE WEEKLY WAGE RATE	Aug '07	% change on one year ago
(industrial aggregate - dollars)		
BC	756.53	3.9
Canada	761.97	3.7

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Environmental Statistics Portal

A new Environmental Statistics page with links to a variety of data and reports related to different environmental issues has been added to the site. The first issue of a new BC Stats periodical, "Environmental Statistics," can be accessed from this page. It is a reprint of an "Exports" article, with some additional data tables.

www.bcstats.gov.bc.ca/data/env/env_stat.asp

Regional Employment Projections

BC Stats, with the financial assistance of the Ministry of Advanced Education, developed the Regional Employment Projection Model (REPM), designed to project industrial and occupational employment in regions of the Province of British Columbia. The model projects employment at the Regional District level and then aggregates back up to the College Region for reporting purposes.

www.bcstats.gov.bc.ca/data/lss/repm.asp

Socio-Economic Profiles & Indices

The 2006 edition of these widely-monitored reports provide the most complete and up-to-date basis for measuring and comparing the social and economic dimensions of regions in the province. Released April 4.

www.bcstats.gov.bc.ca/data/sep/index.asp

Released this week by BC Stats

- Labour Force Statistics, August 2007
- Earnings and Employment Trends, August 2007

Next week

- Exports, July 2007
- 2006 Census: Marital Status, incl. common-law; Families and Households; Housing and Shelter Costs, incl. dwelling characteristics (Wed. 12th)

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